

13 November 2023

Ref. ARY-357/2023

Subject: Explanation of changes more than 20% in the Company's operating performance for the 9-month period ended September 2023

Attn: Director and Manager
The Stock Exchange of Thailand

According to the resolutions of Board of Director ("BOD") Meeting No. 5/2023 held on 13 November 2023, the BOD of Areeya Property Public Company Limited ("the Company") has approved financial statements for the 9-month period ended 30 September 2023. The Company and its subsidiaries ("the Group") had a net loss and net comprehensive loss for the 9-month period ended 30 September 2023 of Baht 252.3 million and Baht 217.7 million, respectively. The net loss and net comprehensive loss for the 3-month period ended 30 September 2023 of Baht 28.2 million.

The Group had a net profit and net comprehensive income for the 9-month period ended 30 September 2022 of Baht 74.9 million and net loss and net comprehensive loss for the 3-month period then ended of Baht 37 million.

The details are as follows;

	For the 3-month period ended		Unit : Million Baht		Note
	30 September 2023	30 September 2022	Inc/(dec)	%	
Revenues from sale of real estate	748.0	629.4	118.6	18.8%	A
Revenues from construction services	149.7	64.0	85.7	133.9%	C
Total revenues	897.7	693.4	204.3	29.5%	
Costs of sale of real estate	(495.4)	(426.1)	69.3	16.3%	B
Costs of construction services	(150.0)	(61.8)	88.2	142.7%	D
Total costs	(645.4)	(487.9)	157.5	32.3%	
Gross profit	252.3	205.5	46.8	22.8%	
Other income	10.1	29.4	(19.3)	(65.6%)	E
Distribution costs	(92.9)	(88.8)	4.1	4.6%	
Administrative expenses	(87.4)	(92.8)	5.4	(5.8%)	
Other expense	(50.8)	0.0	50.8	100.0%	F
Profit (loss) from operating activities	31.3	53.3	(22.0)	(41.3%)	
Finance costs	(82.8)	(80.4)	2.5	3.1%	
Profit (loss) before income tax expenses	(51.6)	(27.1)	(24.5)	90.4%	
Income tax expenses	23.4	(9.9)	(33.3)	(336.4%)	G
Net profit (loss) for the period	(28.2)	(37.0)	8.8	(23.8%)	
Other comprehensive income (loss) for the period	0.0	0.0	0.0	100.0%	H
Total comprehensive income (loss) for the period	(28.2)	(37.0)	8.8	(23.8%)	

Unit : Million Baht

	For the 9-month period ended		Inc/(dec)	%	Note
	30 September 2023	30 September 2022			
Revenues from sale of real estate	1,743.6	2,326.3	(582.7)	(25.0%)	A
Revenues from construction services	378.2	206.8	171.4	82.9%	C
Total revenues	2,121.8	2,533.1	(411.3)	(16.2%)	
Costs of sale of real estate	(1,225.8)	(1,536.9)	(311.1)	(20.2%)	B
Costs of construction services	(377.0)	(173.0)	204.0	117.9%	D
Total costs	(1,602.8)	(1,709.9)	(107.1)	(6.3%)	
Gross profit	519.0	823.2	(304.2)	(37.0%)	
Other income	46.8	72.7	(25.9)	(35.6%)	E
Distribution costs	(284.1)	(257.2)	26.9	10.5%	
Administrative expenses	(265.4)	(285.3)	(19.9)	(7.0%)	
Other expense	(50.8)	0.0	50.8	100.0%	F
Profit (loss) from operating activities	(34.5)	353.4	(387.9)	(109.8%)	
Finance costs	(248.1)	(246.0)	2.1	0.9%	
Profit (loss) before income tax expenses	(282.6)	107.4	(390.0)	(363.1%)	
Income tax expenses	30.3	(32.5)	(62.8)	(193.2%)	G
Net profit (loss) for the period	(252.3)	74.9	(327.2)	(436.8%)	
Other comprehensive income (loss) for the period	34.6	0.0	34.6	100.0%	H
Total comprehensive income (loss) for the period	(217.7)	74.9	(292.6)	(390.7%)	

The Company would like to report herewith the operation results for the 9-month period ended 30 September 2023 which changing more than 20% in comparison with the same period of 2022 due to the following main reasons.

A: Revenue from real estate is as follows:

Unit : Million Baht

	3-month period ended 30 September						9-month period ended 30 September					
	2023	%	2022	%	Inc/(dec)	%	2023	%	2022	%	Inc/(dec)	%
Towhouse & single house	540.8	111.3%	485.7	56.9%	55.1	11.3%	1,445.8	297.7%	1,753.4	205.4%	(307.6)	(17.5%)
Condominium	45.2	9.3%	93.7	11.0%	(48.5)	(51.8%)	135.8	28.0%	315.8	37.0%	(180.0)	(57.0%)
Land	162.0	33.4%	50.0	5.9%	112.0	224.0%	162.0	33.4%	257.1	30.1%	(95.1)	(37.0%)
Total	748.0	0.0%	629.4	0.0%	118.6	18.8%	1,743.6	0.0%	2,326.3	0.0%	(582.7)	(25.0%)

Revenue from real estate for the 3-month period ended 30 September 2023 was Baht 748 million which decreased from the same period in the previous year. The main reason was decreasing in both of revenue from Townhouse & single house due to decrease in number of unit transferred and sold of land bank of Baht 162 million when compare with previous year at Baht 50 million. In the other hand, the revenue from sales of condominium was decreased because there was no new project ready to transfer to customers in 2023.

Revenue from real estate for the 9-month period ended 30 September 2023 was decreased from the decreasing of number of transferred units in all segment (townhouse & single house, condominium and land bank)

B: Cost of sale of real estate

For the 3-month period ended 30 September 2023, the cost of sale of real estate was increased in line with the increasing of revenue. The gross margin was also increased due to high gross profit margin from sold of land bank.

For the 9-month period ended 30 September 2023, the cost of sale of real estate were decreased in line with the decreasing of revenue. However, the gross profit margin was decreased, mainly due to the higher gross profit margin from sold of land bank of Baht 257.1 million in 2022 when compare with sold of land bank in 2023.

C: Revenue from construction services

Currently, the Group has 1 condominium construction project. Revenue from construction was increased when compared to the previous year was mainly from the progress of construction that increased from the previous year

D: Cost of construction service

Cost of construction service was increased in line with increasing of revenue. However, the gross profit margin was decreased when compared to the previous year. This mainly from the increased in construction material which gradually increased since 2022.

E: Other income

For the 3-month and 9-month period ended 30 September 2023, the other income was decreased when compared to the same period of the previous year, this was mainly from recognizing of other income from selling of condominium units of sold projects in the past of Baht 22 million while it was not occurred in 2023. However, the Company written-off liabilities of 10 million in first quarter of 2023.

F: Loss from the disposal of property, plant and equipment

The other expense of Baht 50.8 million came from the sale of a piece of land which was recorded in property, plant and equipment. This plot of land was measured by revaluation method, the original cost of this land was Baht 34.4 million and revalued to Baht 152.3 million, the surplus from revaluation of 117.9 million was recorded in surplus from revaluation. However, the Company sold this plot of land at the net price of Baht 101.5 million which lower than the latest revaluation value at Baht 50.8 million and presented as other expenses.

G: Income tax expense (income)

Income tax expenses decreased when compared to the same period of the previous year, this was mainly from the net loss in the first half of 2023, while the Group had net profit in 2022.

Moreover, the Company reversed the deferred tax liabilities from surplus from revaluation when sold of land as described in note F of 23.58 million.

H: Other comprehensive income

The other comprehensive income of Baht 34.6 million was the gain from the revaluation of a piece of land that is recorded in property, plant, and equipment. This land was measured using the revaluation model. The comprehensive income from the revaluation of the land was Baht 43.2 million, but after deducting deferred tax expenses, the comprehensive income was presented as Baht 34.6 million.

Please be informed accordingly.

Sincerely yours,



Terakarn Watprapasak
Company Secretary